ALIFORNIA ENERGY COMMISSION

16 NINTH STREET CRAMENTO, CA 95814-5512



NOTICE OF RECEIPT OF THE APPLICATION FOR CERTIFICATION FOR PHASE I OF THE UNITED GOLDEN GATE POWER PROJECT Docket No. 00-AFC-05

On September 29, 2000, El Paso Merchant Energy Company (El Paso) filed an Application for Certification (AFC), seeking approval from the California Energy Commission (Energy Commission) under the terms of the California Energy Security and Reliability Act, to construct Phase I of the United Golden Gate Power Project (UGGPP). Phase I of the project is a 48-megawatt (MW) simple cycle power plant that El Paso intends to operate for a maximum of three years as a peaking power plant. El Paso proposes locating the project at the San Francisco International Airport (SFIA) in San Mateo County. United Golden Gate Power Project LLC, a wholly owned subsidiary of El Paso, will own and operate the UGGPP. The completed UGGPP will be a 570 MW combined cycle power plant at the same location. El Paso plans to submit an AFC for the full UGGPP in November 2000, which will be considered by the Energy Commission in a separate certification process.

The Energy Commission s siting process is open to the public and incorporates the input of the public as well as local, state and federal agencies. To facilitate public participation in our review process, the Energy Commission has distributed copies of this AFC to libraries in South San Francisco, San Bruno, Millbrae, San Francisco (Main), Los Angeles, San Diego, Fresno and Eureka. El Paso s description of the proposed project; the possible impacts to public health, safety and environmental resources; proposed mitigation measures and the project's conformance with federal, state and local laws and standards are contained in the AFC.

Project Description

Phase I of the UGGPP is a proposed 48 MW natural gas fired simple cycle power generating facility. Pollution control on the turbine will include a Selective Catalytic Reduction (SCR) system to control the emissions of oxides of nitrogen (NOx), and an oxidation catalyst to control carbon monoxide (CO) and volatile organic compound (VOC) emissions. Aqueous ammonia will be used as the reagent in the SCR system. Deliveries will be made by tanker trucks and stored in a 4,000 gallon aboveground storage tank. UGG Phase I will be air cooled.

UGG Phase I will use existing connections at the adjacent United Cogeneration Inc. (UCI) cogeneration power plant for natural gas supply, transmission interconnection, and water supply. UGG Phase I will also make use of existing SFIA potable water and sanitary waste systems.

El Paso plans to operate Phase I of the UGGPP exclusively under the terms of a contract entered into with the California Independent System Operator (Cal ISO). UGGPP Phase I will supply electricity during times of peak summer and winter demand.

The Energy Commission s Process, Public Participation and Contacts

The Energy Commission is responsible for reviewing and ultimately approving or denying all thermal electric power plants, 50 MW and greater, proposed for construction in California. Phase I of the UGGPP falls within the Energy Commission s jurisdiction because the full project is planned to be 570 MW. The Energy Commission s facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines, natural gas pipelines and water pipelines. The Energy Commission s responsibilities are similar to those of a lead agency under the California Environmental Quality Act (CEQA).

El Paso is seeking an expedited permitting decision under the terms of /25552 of the California Energy Security and Reliability Act, which was passed by the California Legislature in August and signed into law by Governor Davis on September 6, 2000. This section provides for a four-month certification process for simple cycle thermal power plants and related facilities that can be put into service by August 1, 2001. The Energy Commission is required to determine whether the application is complete within 15 days of receipt, but in no case later than October 31, 2000. Consideration of the completeness of this El Paso application is expected to be taken up at the October 11 Business Meeting of the Energy Commission, which will be held in Hearing Room A of the Commission offices in Sacramento. Within 25 days of determining the application is complete, the Energy Commission must determine whether the application qualifies for an expedited decision pursuant to /25552. Phase I of the UGGPP will qualify for an expedited decision only if the Energy Commission determines that the AFC includes descriptions of proposed conditions of certification that will assure that the project:

- will not have a significant adverse impact on the environment;
- will protect public health and safety;
- will result in compliance with all applicable federal, state, and local laws, ordinances, and standards;
- will be in service before August 1, 2000; and
- will ensure that the power plant will cease to operate or be replaced with a combined cycle power plant within three years.

During the permitting process, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops and hearings will provide the public as well as local, state and federal agencies the opportunity to ask questions about and provide input on the proposed project. The Energy Commission will issue notices for these workshops and hearings, normally 14 days, but in no case later than 10 days, prior to the meeting. If you are not

currently receiving these notices and want to be placed on the mailing list, please contact Mary Dyas, Project Secretary, at (916) 654-4219.

If you want information on how you can participate in the Energy Commission s review of the project, please contact Ms. Roberta Mendonca, the Energy Commission s Public Adviser, at (916) 654-4489 (toll free in California at (800) 822-6228), or by email at pao@energy.state.ca.us. If you require special accommodations to attend a workshop, please call Robert Sifuentes at (916) 654-5004 at least five days before a workshop. Technical or project schedule questions should be directed to Kevin Kennedy, Siting Project Manager, in the Energy Facilities Siting and Environmental Protection Division, at (916) 654-4678, or by email at kkennedy@energy.state.ca.us. The status of the project, copies of notices and other relevant documents are also available on the Energy Commission s Internet web page at www.energy.ca.gov/sitingcases/ugg1. News media inquiries should be directed to Assistant Executive Director, Claudia Chandler, at (916) 654-4989.

This notice of receipt has been mailed to all parties that have requested to be placed on the mailing list during pre-filing and to property owners located adjacent to the project site. By being on the mailing list, you will receive notices of all project-related activities and notices when documents related to the project s evaluation are available for review. If you want your name removed from the mailing list, please contact Mary Dyas, Project Secretary, at (916) 654-4219.

Availability of the AFC Document

Copies of the AFC document are available for public inspection at the following local libraries:

South San Francisco Public Library West Orange Branch 840 West Orange Ave. South San Francisco, CA 94080

South San Francisco Public Library Grand Avenue Branch 306 Walnut Ave. South San Francisco, CA 94080

San Bruno Public Library 701 Angus Avenue West San Bruno, CA 94066

Millbrae Community Library 1 Library Avenue Millbrae, CA 94030 San Francisco Public Library — Main Library Civic Center San Francisco, CA 94102

Copies are also available at the Energy Commission s Library in Sacramento, the California State Library in Sacramento, and at public libraries in Los Angeles, San Diego, Fresno, and Eureka. In addition, copies will be distributed to those public agencies which would normally have jurisdiction except for the Energy Commission s exclusive authority to certify sites and related facilities.

Sincerely,

ROBERT L. THERKELSEN, Deputy Director Energy Facilities Siting and Environmental Protection

RLT:kmk